

BREEDE VALLEY MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2006

	Note	2006 R	2005 R
NET ASSETS AND LIABILITIES			
Net Assets		224,444,925	146,973,980
Housing development Fund	1	11,900,955	3,610,580
Capital replacement reserve	2	18,049,411	17,608,667
Capitalisation reserve	2	40,445,316	44,238,414
Capital grants reserve	2	103,887,073	59,997,935
Self-insurance reserve	2	4,778,728	4,161,241
Revaluation reserve	2	10,784,100	-
Unappropriated surplus (Accumulated deficit)		34,599,342	17,357,143
Non-current liabilities		88,925,118	75,811,796
Long-term liabilities	3	87,975,118	74,861,796
Non-current Provisions	4	950,000	950,000
Current Liabilities		39,957,924	38,720,899
Consumer deposits	5	2,235,623	2,170,714
Current Provisions	6	-	-
Creditors	7	26,683,998	26,372,596
Unspent conditional Grants and Receipts	8	6,142,220	7,265,355
Current portion of long-term liabilities	3	4,896,083	2,912,234
Total Net Assets and liabilities		353,327,967	261,506,675
ASSETS			
Non-current assets		277,116,502	197,941,926
Property, Plant and Equipment	9	254,372,441	179,669,518
Investment Property	9	1,960,000	1,960,000
Investments	10	14,812,826	12,555,621
Long term receivables	11	5,971,235	3,756,787
Current assets		76,211,465	63,564,749
Inventory	12	3,825,392	3,409,707
Consumer debtors	13	18,804,748	18,904,314
Other debtors	14	6,642,049	3,524,150
Short-term portion of Investments	10	40,000,000	37,000,000
Current portion of long-term debtors	11	504,272	434,755
Bank and Cash	15	6,435,004	291,823
Total Assets		353,327,967	261,506,675

BREEDE VALLEY MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2006

Budget 2005 R	Budget 2006 R	Note	Actual 2006 R	Actual 2005 R
REVENUE				
49,000,000	53,500,000	Property rates	54,794,072	50,192,450
1,500,000	1,240,000	Property rates - penalties imposed and collection charge	1,230,451	1,396,882
138,977,031	156,476,262	Service charges	161,404,825	143,733,907
84,817,625	94,924,640	Electricity sales	97,719,844	88,134,253
13,795,800	15,584,322	Refuse removal	15,600,964	14,551,249
13,683,606	17,391,000	Sewerage fees	18,034,457	15,808,710
26,680,000	28,576,300	Water sales	30,049,560	25,239,695
5,116,253	5,588,155	Infrastructure / Site Rental	5,586,561	5,033,532
858,600	1,417,340	Rental of facilities and equipment	1,919,880	1,258,962
3,725,000	5,600,000	Interest earned - external investments	6,107,641	5,768,525
6,455,000	4,641,150	Interest earned - outstanding debtors	4,685,863	6,728,053
10,666,650	9,427,820	Fines	9,579,325	10,000,527
3,300,000	3,300,000	Income for agency services	3,109,372	3,217,770
1,995,600	2,617,480	Licences and permits	2,557,417	1,883,125
18,291,578	29,029,906	Operating grants and subsidies	28,359,360	21,076,238
9,327,788	6,365,341	Other income	9,076,832	9,550,933
245,730	0	Gains on disposal of property, plant and equipment	0	245,730
249,459,230	279,203,454	Sub-total	288,411,599	260,086,634
69,865,832	46,963,258	Grants and subsidies - capital	48,331,045	25,671,614
319,325,062	326,166,712	Operating revenue generated	336,742,644	285,758,248
24,855,000	26,947,232	Less income forgone - Rebates	27,113,883	26,247,347
294,470,062	299,219,480	Total direct operating revenue	309,628,761	259,510,901
294,470,062	299,219,480	Total operating Income	309,628,761	259,510,901
EXPENDITURE				
77,689,721	85,323,751	Employee related costs	81,983,832	77,512,293
4,872,679	5,733,234	Remuneration of councillors	5,830,275	4,782,868
11,900,000	10,000,000	Provision for bad debt	7,976,178	15,812,677
2,300,000	900,000	Debt collection costs	846,170	1,068,061
12,486,163	14,843,100	Depreciation	14,890,252	12,622,656
22,965,842	30,187,490	Repairs and maintenance	28,338,521	23,542,532
11,685,790	10,259,932	Interest on external borrowings	10,049,496	11,136,979
46,370,000	51,110,440	Bulk purchases	50,107,028	47,125,673
2,195,800	2,375,130	Contracted services	2,037,369	1,961,388
113,600	51,380	Grants and subsidies paid	51,173	79,754
40,521,064	44,791,303	General expenses other	40,478,643	43,296,034
884,150	938,020	Contributions to (from) Provisions	2,834,997	3,956,633
233,984,809	256,513,780	Total Direct Operating expenditure	245,423,934	242,897,548
233,984,809	256,513,780	Total Operating Expenditure	245,423,934	242,897,548
60,485,253	42,705,700	Net Operating Surplus (Deficit)	64,204,827	16,613,353

Refer to Appendix E(1) for explanation of variances

BREEDE VALLEY MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2006

Capital Replacement Reserve	Housing Development Fund	Capitalisation Reserve	Depreciation Reserve Capital Grants	Self Insurance Reserve	Revaluation Reserve	Unappropriated Surplus	Total
R	R	R	R	R	R	R	R
20 000 000	21 532 854	51 431 047	37 295 317	3 696 794	0	5 945 205	139 901 217
20 000 000	21 532 854	51 431 047	37 295 317	3 696 794	0	5 945 205	139 901 217
		(6 322 564)				6 322 564	0
20 000 000	21 532 854	45 108 483	37 295 317	3 696 794	0	12 267 769	139 901 217
			25 671 614			16 613 353	16 613 353
							0
(3 382 249)						(25 671 614)	0
						3 382 249	0
				150 000		(150 000)	0
		(4 906 693)	(2 968 996)			7 875 689	0
				429 567		(429 567)	0
	(3 098 042)						(3 098 042)
990 916		4 036 624				(990 916)	0
						0	4 036 624
	(1 543 329)					1 543 329	0
	(6 533 856)						(6 533 856)
	(6 747 047)						(6 747 047)
				(115 120)		115 120	0
17 608 667	3 610 580	44 238 414	59 997 935	4 161 241	0	14 555 412	144 172 249

Restated balance 30 June 2004

2005

Balance at 1 July 2004
Changes in Accounting Policies
Restated balance
Net surplus for the year
Other Income
Property plant and equipment purchased
Property plant and equipment purchased
Contribution to Insurance Reserve
Offsetting of depreciation
Interest on Investments
Housing rental written-off
Contributions
Adjustments
Operating Expenditure
Provision for Doubtful Long term debtors
Provision for Doubtful debtors
Transfer From Insurance Reserve
Balance at 30 June 2005

cross balance

144 172 249

2006

Balance at 1 July 2005
Previous Years Adjustments
Previous Years Adjustments
Changes in Accounting Policies
Restated balance
Net surplus for the year
Other Income
Property plant and equipment purchased
Property plant and equipment purchased
Contribution to Insurance Reserve
Offsetting of depreciation
Interest on Investments
Housing rental written-off
Contributions
Revaluations
Adjustments
Operating Expenditure
Provision for Doubtful Long term debtors
Provision for Doubtful debtors
Transfer from accumulated surplus
Balance at 30 June 2006

17 608 667	3 610 580	44 238 414	59 997 935	4 161 241	0	14 555 412	144 172 249
						450 075	450 075
						2 351 656	2 351 656
		0				0	0
17 608 667	3 610 580	44 238 414	59 997 935	4 161 241	0	17 357 143	146 973 980
						64 204 827	64 204 827
						33 482	33 482
			48 331 045			(48 331 045)	0
(10 699 898)						10 699 898	0
				159 750		(159 750)	0
		(3 793 098)	(4 441 907)			8 235 005	0
1 936 953				457 737		(2 394 690)	0
	0						0
9 203 689						(9 203 689)	0
					10 784 100		10 784 100
		0				0	0
						0	0
	2 448 536					0	2 448 536
	4 298 511					(4 298 511)	0
	1 543 328			0		(1 543 328)	0
18 049 411	11 900 955	40 445 316	103 887 073	4 778 728	10 784 100	34 599 342	224 444 925

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BREDE VALLEY MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from ratepayers, government and other		298,340,906
Cash paid to suppliers and employees		-248,295,362
Cash generated from operations	27	<u>50,045,544</u>
Interest received: Investments & Current account		6,107,641
Interest paid	23	-10,049,496
NET CASH FROM OPERATING ACTIVITIES		<u><u>46,103,689</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		-49,896,280
Proceeds on disposal of fixed assets		0
Increases in non-current receivables	11	30,896
Increase in current Investments		-3,000,000
Increase in investments		-2,257,205
NET CASH FROM INVESTING ACTIVITIES		<u><u>-55,122,589</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
New loans raised		18,179,600
External loans repaid		-3,082,428
Increase in consumer deposits		64,909
NET CASH FROM FINANCING ACTIVITIES		<u><u>15,162,081</u></u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	28	<u><u>6,143,181</u></u>
Cash and cash equivalents at the beginning of the year		291,823
Cash and cash equivalents at the end of the year		6,435,004

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	R	R
1. HOUSING DEVELOPMENT FUND		
Housing Development Fund	<u>11,900,955</u>	<u>3,610,580</u>
Unappropriated Surplus	<u>11,900,955</u>	<u>3,610,580</u>
The Housing Development Fund is represented by the following assets and liabilities		
Instalments Sales Debtors (see note 11 & 13)	3,066,625	385,467
Investments (see note 10)	1,465,886	0
Other Debtors (see note 13 & 14)	7,368,444	9,352,768
Cash and cash equivalents (see note 15)	0	0
Sub-total	<u>11,900,955</u>	<u>9,738,235</u>
Due by Housing Development Fund to Municipality	0	-6,127,655
Total Housing Development Fund Assets and Liabilities	<u>11,900,955</u>	<u>3,610,580</u>
2. RESERVES		
Capital Replacement Reserve	18,049,411	17,608,667
Capitalisation reserve	40,445,316	44,238,414
Assets financed ex Grants	103,887,073	59,997,935
Self-insurance Reserve	4,778,728	4,161,241
Revaluation reserve	10,784,100	0
Total Reserves	<u>177,944,628</u>	<u>126,006,257</u>
3. LONG-TERM LIABILITIES	2,006	2,005
	R	R
Local Registered Stock Loans	23,411,709	23,411,709
Annuity Loans	69,459,492	54,362,321
Sub-total	<u>92,871,201</u>	<u>77,774,030</u>
Less: Current portion transferred to current liabilities	4,896,083	2,912,234
Local Registered Stock Loans	0	0
Annuity Loans	<u>4,896,083</u>	<u>2,912,234</u>
Total External Loans	<u>87,975,118</u>	<u>74,861,796</u>

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	R	R
4. NON-CURRENT PROVISIONS		
Provision for the rehabilitation of landfill site	600,000	600,000
Provision for alien vegetation	350,000	350,000
Total Non-current Provisions	950,000	950,000
	Landfill	Allien vegetation
	R	R
The movement in the provisions is reconciled as follows:-		
Balance at the beginning of the year	600,000	350,000
Contributions to Provisions	0	0
Expenditure incurred	0	0
Transfer to current provisions	0	0
Balance at end of year	600,000	350,000
5. CONSUMER DEPOSITS	2,006	2,005
	R	R
Electricity	1,380,322	1,374,086
Water	855,301	796,628
Total Consumer Deposits	2,235,623	2,170,714
Guarantees held in lieu of Electricity and Water Deposits	35,300	35,300
6. CURRENT PROVISIONS	2,006	2,005
	R	R
No amount has been transferred from the Non-current Provisions to	0	0
Current provisions for the year ended 30 June 2005		
	0	0
7. CREDITORS	2,006	2,005
	R	R
Trade creditors	13,585,237	15,725,162
Payments received in advance	2,129,884	2,419,534
Sundry deposits	739,102	436,353
Retentions	3,412,389	2,203,459
Staff leave	6,679,794	5,346,665
Other creditors	137,592	241,423
Total creditors	26,683,998	26,372,596

BREEDE VALLEY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 R	2005 R
8. UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
Conditional Grants from other spheres of Government	6,129,683	7,251,017
National Government	2,130,960	4,592,933
Provincial Government	3,542,446	2,435,463
District Municipality	456,277	222,621
Other Conditional Receipts	12,537	14,338
Developers Contributions	0	0
Public Contributions	0	0
Other Municipalities	12,537	14,338
Total Conditional Grants and Receipts	6,142,220	7,265,355

See note 18 for reconciliation of grants National/Provincial Government.
These amounts are invested until utilized

BREED VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

9. PROPERTY, PLANT AND EQUIPMENT

30 June 2006

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Other	Heritage Assets	Total
	R	R	R	R	R	R
Carrying Values at 1 July 2005		107,382,574	50,325,127	21,961,817		179,669,518
Cost		242,524,936	176,255,391	61,258,926		480,039,253
Correction of error (note 32)						
Revaluation						
*Accumulated Depreciation		-135,142,362	-125,930,264	-39,297,109		-300,369,735
-Cost		-135,142,362	-125,930,264	-39,297,109		-300,369,735
-Revaluation						
Acquisitions		52,293,562	7,041,774	3,502,870	390,000	63,228,206
Capital under Construction		1,544,373	10,612,501			12,156,874
Assets donated		3,423,995				3,423,995
Increase/decreases in revaluation					10,784,100	10,784,100
Movements						0
Depreciation		-8,653,893	-3,078,970	-3,157,389	0	-14,890,252
-based on cost		-8,653,893	-3,078,970	-3,157,389	0	-14,890,252
-Assets previously left out						0
-based on revaluation						0
Carrying value of disposals	0	0	0	0	0	0
Cost/Revaluation						
Accumulated depreciation						
Impairment losses						
Other movements						0
Carrying Values at 30 June 2006		155,990,611	64,900,432	22,307,298	11,174,100	254,372,441
Cost		299,786,866	193,909,666	64,761,796	390,000	558,848,328
Revaluation					10,784,100	10,784,100
Accumulated Depreciation		-143,796,255	-129,009,234	-42,454,498	0	-315,259,987
-Cost		-143,796,255	-129,009,234	-42,454,498	0	-315,259,987
-Revaluation						
30 June 2005						
	Land and Buildings	Infrastructure	Community	Other	Housing Development Fund	Total
	R	R	R	R	R	R
Carrying values at 30 June 2004	26,926,126	75,426,409	14,201,695	8,434,711	14,211,109	139,200,050
Reclassification of Assets	-26,926,126	129,230	28,482,485	12,525,520	-14,211,109	0
Carrying Values at 1 July 2004		75,555,639	42,684,180	20,960,231		139,200,050
Cost		196,696,881	160,749,372	57,363,768		414,810,021
Correction of error (note 32)						
Revaluation						
*Accumulated Depreciation		-121,141,242	-118,065,192	-36,403,537		-275,609,971
-Cost		-121,141,242	-118,065,192	-36,403,537		-275,609,971
-Revaluation						
Acquisitions		29,263,829	4,714,852	1,630,537		35,609,218
Capital under Construction		5,646,523	5,760,168	2,080,000		13,486,691
Assets previously left out		10,958,112	5,031,000	815,000		16,804,112
Increase/decreases in revaluation						
Depreciation		-14,001,117	-7,865,073	-3,523,954		-25,390,144
-based on cost		-6,987,629	-2,834,073	-2,800,954		-12,622,656
-Assets previously left out		-7,013,488	-5,031,000	-723,000		-12,767,488
-based on revaluation						
Carrying value of disposals	0	0	0	0	0	0
Cost/Revaluation				-630,380		
Accumulated depreciation				630,380		
Impairment losses						
Other movements		-40,409				-40,409
Carrying Values at 30 June 2005		107,382,574	50,325,127	21,961,817		179,669,518
Cost		242,524,936	176,255,391	61,258,926		480,039,253
Revaluation						0
Accumulated Depreciation		-135,142,362	-125,930,264	-39,297,109		-300,369,735
-Cost		-135,142,362	-125,930,264	-39,297,109		-300,369,735
-Revaluation						

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

Provision has been made for the estimated costs of restoring refuse landfill sites, including in other assets, as described in note 4

The assets have been reclassified in order to be in line with the GAMAP classification of assets. Therefore the balances at 30 June 2004 has been reallocated to the correct assets types as indicated above.

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

9. (continue)	2006	2005
INVESTMENT PROPERTY	R	R
Cost	1,960,000	1,960,000
Total Investment Property	1,960,000	1,960,000

Investment properties are not depreciated and are held to earn rental income and appreciate capital value. Investment properties are stated at fair value and are revalued every four years by the Municipality's valuers. The last date of valuation was 1 July 2004.

10. INVESTMENTS	2006	2005
	R	R
Financial Instruments		
Fixed Deposits - ABSA	14,812,826	12,555,621
Other Deposits	40,000,000	37,000,000
- Absa	4,000,000	8,000,000
- Nedbank	11,000,000	9,000,000
- First National Bank	8,000,000	9,000,000
- Standard Bank	6,000,000	11,000,000
- Investec	11,000,000	0
Total Cash Investments	54,812,826	49,555,621
Total Investments	54,812,826	49,555,621
Average rate of return on Investments	11%	11.62%

11. LONG TERM RECEIVABLES		
Car loans	51,745	118,745
Housing selling scheme	133,078	243,570
Housing selling scheme	3,902,585	3,171,486
Less:Provision for doubtful debtors	-3,769,507	-2,927,916
Housing personnel	3,080,163	3,419,501
Welfare loan	3,105,777	0
Welfare	3,421,590	3,605,940
Less:Provision for doubtful debtors	-315,813	-3,605,940
Recreational	57,855	230,691
Recreational	191,530	230,691
Less:Provision for doubtful debtors	-133,675	0
Land sales	46,889	179,035
Other	0	0
sub-total	6,475,507	4,191,542
Less:Current Portion transferred to current receivables	504,272	434,755
Car loans	51,745	66,999
Housing selling scheme	129,745	128,111
Housing personnel	96,168	92,422
Welfare	163,318	19,818
Recreational	16,407	32,278
Land sales	46,889	95,127
Total long term receivables	5,971,235	3,756,787

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 R	2005 R
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LONG TERM RECEIVABLES (Continue)

CAR LOANS

Senior Staff were entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 5 years. The last loan will be repaid on 31 May 2007.

HOUSING SELLING SCHEME LOANS

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest of prime plus 1% per annum and are repayable over a maximum period of 30 years.

HOUSING LOANS - PERSONNEL

Housing loans were granted to personnel and attract interest at between 7.5% and 15% per annum and are repayable over periods not exceeding 30 years

WELFARE LOANS

Welfare loans are granted to qualifying organisations in terms of the provincial administration's housing programme. These loans attract interest of 1% per annum and are repayable over a maximum period of 30 years.

RECREATIONAL LOANS

Loans were granted to certain recreational institutions and 18% per annum, and are repayable over periods not exceeding 30 years

LAND SALES

Loans were granted to individuals for when purchasing land from the Municipality. These loans attract interest at prime plus 1% and are repayable over periods not exceeding 2 Years.

12. INVENTORY

Consumable stores	4,172,007	3,518,099
Less :Provision for slow moving inventory	-346,615	
Less :Provision for obsolescence	0	-108,392
Inventory is net of specific provisions for obsolescence	<u>3,825,392</u>	<u>3,409,707</u>

Due to the fact that the water in the Stettynbskloof dam, that is under the control of the municipality, can not be measured reliably and as there is no cost attached to the water, it is not recognised in the statement of financial position.

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

13. CONSUMER DEBTORS	Gross Balances	Provision for Bad Debts	Net balance
As at 30 June 2006			
Service debtors	74,970,134	58,513,322	16,456,812
Rates	18,630,293	15,492,098	3,138,195
Electricity	14,507,250	7,676,398	6,830,852
Water	16,802,018	13,611,815	3,190,203
Sewerage	11,085,448	9,524,771	1,560,677
Refuse removal	12,881,016	11,405,330	1,475,686
Availability charges	1,061,751	800,607	261,144
Deferments	2,358	2,303	55
Sundries	5,977,401	4,664,414	1,312,987
Housing Rentals	7,181,702	6,388,690	793,012
Selling Schemes Instalments	7,100,529	6,858,592	241,937
Total	95,229,766	76,425,018	18,804,748
As at 30 June 2005			
Service debtors	81,006,570	64,127,480	16,879,090
Rates	18,852,857	15,908,911	2,943,946
Electricity	16,167,022	10,115,452	6,051,570
Water	19,814,329	14,511,437	5,302,892
Sewerage	11,421,401	10,191,262	1,230,139
Refuse removal	14,108,840	12,935,047	1,173,793
Availability charges	639,270	462,556	176,714
Deferments	2,851	2,815	36
Sundries	6,090,524	5,301,933	788,591
Housing Rentals	8,852,971	7,961,574	891,397
Selling Schemes Instalments	7,445,503	7,100,267	345,236
Total	103,395,568	84,491,254	18,904,314
	2006	2005	
Rates: Ageing			
Current (0 -30 days)	2,333,408	2,189,340	
31 - 60 Days	463,132	497,461	
61 - 90 Days	341,654	257,145	
91 - 120 Days	632,729	222,657	
121 - 365 Days	11,416,274	12,916,044	
Arrangements	3,443,096	2,770,210	
Total	18,630,293	18,852,857	
Refuse Removal: Ageing			
Current (0 - 30 days)	891,189	770,606	
31 - 60 Days	318,939	217,487	
61 - 90 Days	265,558	185,699	
91 - 120 Days	244,816	174,156	
121 - 365 Days	8,370,574	10,467,997	
Arrangements	2,789,940	2,292,895	
Total	12,881,016	14,108,840	
Sewerage: Ageing			
Current (0 - 30 days)	977,617	827,717	
31 - 60 Days	314,964	223,526	
61 - 90 Days	268,097	178,896	
91 - 120 Days	251,871	181,136	
121 - 365 Days	6,533,328	7,356,662	
Arrangements	2,739,571	2,653,465	
Total	11,085,448	11,421,401	
Electricity: Ageing			
Current (0 - 30 days)	6,065,450	5,252,264	
31 - 60 Days	492,141	496,943	
61 - 90 Days	273,261	302,363	
91 - 120 Days	248,312	216,924	
121 - 365 Days	4,472,231	6,363,353	
Arrangements	2,955,855	3,535,174	
Total	14,507,250	16,167,022	

BREED VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

13. CONSUMER DEBTORS (continued)	2006	2005
Water: Ageing		
Current (0 - 30 days)	1,954,334	4,360,683
31 - 60 Days	681,879	481,225
61 - 90 Days	553,990	460,984
91 - 120 Days	537,562	439,572
121 - 365 Days	8,488,168	9,053,416
Arrangements	4,586,085	5,018,450
Total	16,802,018	19,814,329
Housing Rentals: Ageing		
Current (0 - 30 days)	325,084	329,376
31 - 60 Days	253,502	250,563
61 - 90 Days	214,426	311,457
91 - 120 Days	266,152	1,033,283
121 - 365 Days	4,367,887	5,383,015
Arrangements	1,754,651	1,545,277
Total	7,181,702	8,852,971
Housing Selling schemes: Ageing		
Current (0 - 30 days)	116,293	223,133
31 - 60 Days	69,186	75,354
61 - 90 Days	56,458	46,749
91 - 120 Days	54,034	592,485
121 - 365 Days	4,725,552	4,710,360
Arrangements	2,079,006	1,797,422
Total	7,100,529	7,445,503
Availability charges: Ageing		
Current (0 - 30 days)	119,595	99,649
31 - 60 Days	78,096	49,420
61 - 90 Days	63,453	27,644
91 - 120 Days	52,715	21,138
121 - 365 Days	603,884	370,592
Arrangements	144,008	70,826
Total	1,061,751	639,270
Deferments Ageing		
Current (0 - 30 days)	50	32
31 - 60 Days	3	2
61 - 90 Days	2	2
91 - 120 Days	2	2
121 - 365 Days	177	338
Arrangements	2,124	2,475
Total	2,358	2,851
Sundries Ageing		
Current (0 - 30 days)	1,012,350	531,294
31 - 60 Days	170,939	153,128
61 - 90 Days	129,698	104,169
91 - 120 Days	76,951	105,988
121 - 365 Days	4,152,377	4,682,699
Arrangements	435,086	513,246
Total	5,977,401	6,090,524
Grand total	95,229,766	103,395,568

Summary of Debtors by Customer Classification

30 June 2006	Total	Consumers	Industrial/Commercial	National and Provincial Govt.
Current (0 - 30 days)	13,795,369	10,550,547	3,212,410	32,412
31 - 60 Days	2,842,781	2,269,510	393,295	179,976
61 - 90 Days	2,166,597	1,751,292	253,879	161,426
91 - 120 Days	2,365,144	1,901,276	339,492	124,376
121 - 365 Days	53,130,453	32,954,400	18,018,355	2,157,698
Arrangements	20,929,422	15,971,412	4,958,010	0
Total	95,229,766	65,398,437	27,175,441	2,655,888

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 R	2005 R
14. OTHER DEBTORS		
Housing board subsidies	3,351,427	600,468
Over-expenditure	0	99,108
Government subsidies	383,884	610,803
Interest receivable	1,225,933	1,143,434
SARS VAT	739,701	323,940
Recoverable expenses	312,406	303,149
Loans granted	12,705	24,244
Loans granted (prior to 1.7.2004)	653,502	561,164
Less provision for bad debts	-640,797	-536,920
Prepaid expenses	175,449	149,927
Other debtors	440,544	269,077
Total other debtors	6,642,049	3,524,150

15. Bank and Cash

The Municipality has the following bank accounts:-

Current Account (Primary Bank Account)

Cashbook balance at the beginning of the year	291,823	4,969,456
Cashbook balance at the end of year	6,429,449	287,668
Cash on hand	5,555	4,155
Total Bank and Cash	6,435,004	291,823

ABSA Bank - Worcester Branch

Account number 1000010312

Bank statement balance at the beginning of the year	3,622,864	9,990,262
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Bank statement balance at the end of the year	10,759,188	3,622,864
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First National Bank - Current Account

Account number 53902831429

Bank statement balance at the beginning of the year	0	0
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Bank statement balance at the end of the year	0	0
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16. PROPERTY RATES

Actual Income

Total Assessment Rates	54,794,072	50,192,450
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Valuations

	2006	2006	2005	2005
	Land	Improvements	Land	Improvements
Residential	294,778,891	1,172,723,000		
Commercial	113,162,400	674,476,000		
State	40,541,355	255,450,000	1,284,062,135	2,779,661,000
Agricultural	747,553,562	331,117,000		
Municipal	127,772,551	465,714,000		
Total Property Valuations	1,323,808,759	2,899,480,000	1,284,062,135	2,779,661,000

Valuations on land and buildings are performed every four years. The last valuation came into effect 1 July 2004. Interim valuations are processed once a year taking into account changes in individual property values due to alterations and subdivisions.

Rates are levied on an annual basis with the final date of payment 30 September. Monthly levies are allowed on application. Interest at 1% above the prime bank rate is levied on outstanding rates. A differentiated rebate up to 40% is granted to owners under certain circumstances.

	2006	2006	2005	2005
The basic Rate's are as follows:	Land	Improvements	Land	Improvements
De Doorns	1.38911 c/R	1.38911 c/R	1.2363 c/R	1.2363 c/R
Rawsonville	1.38911 c/R	1.38911 c/R	1.2363 c/R	1.2363 c/R
Touwsriver	1.38911 c/R	1.38911 c/R	1.2363 c/R	1.2363 c/R
Worcester	1.38911 c/R	1.38911 c/R	1.2363 c/R	1.2363 c/R
Rural	1.38911 c/R	1.38911 c/R	1.2363 c/R	1.2363 c/R

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
		R
17. SERVICE CHARGES		
Sale of electricity	97,719,844	88,134,253
Sale of water	30,049,560	25,239,695
Refuse removal	15,600,964	14,551,249
Sewerage and sanitation charges	18,034,457	15,808,710
Total Service Charges	161,404,825	143,733,907
18. GOVERNMENT GRANTS AND SUBSIDIES		
Allocated to Operating Account:-		
Equitable share	18,164,751	12,443,536
Provincial Health Subsidies	3,746,551	2,858,674
Provincial Road Subsidies	36,884	136,200
Provincial subsidy cleaning project	4,871	195,129
Provincial Library Services		70,386
LGWSETA:Staff Development	438,122	478,718
PAWC ISDN Line Firebrigade	4,042	5,212
Spatial Planning	80,000	125,000
PAWC Sport and culture		87,362
PAWC - Poverty Alleviation Projects		529,551
Financial Management Grant	212,695	550,215
Eergency water supply	100,000	
PAWC IDP		24,101
Provincial Transport and Public Works - Transport Infrastructure		2,005,000
District Municipality - IDP Review		5,322
PAWC Aids project		28,211
Provincial Social Vegatable project	299	258,897
Social Services Masizakhe		26,555
PAWC Municipal Support program		101,251
Restoration prepaid electricity		320,820
Learnership SETA	3,120	10,252
Work for water	5,013,332	2,004,490
Expanded public works program		41,783
Pavement Management System		205,000
Unobuntu MPC Computer and business training		50,000
Electricity- Drivers training		18,480
Electricity- Master plan Funding		150,890
Sewerage Master Plan		50,000
Steenvliet access road		3,801,000
Tourism (District Municipality)		190,617
Housing schemes maintenance (District Municipality)		140,037
Unicity of Cape Town - Community Kids	1,800	25,663
Systems Improvement Grant	75,268	12,231
INEP	475,000	765,000
MIG 2004/2005	6,324,893	5,387,619
Zweletemba Poverty Aliviation - CMIP		2,193,599
Stettynskloof C02 Rehabilitation - CMIP		669,873
Upgrade Bokriver Pipeline		2,634,572
DME Electrical connections	151,329	432,155
District Municipality - IDP Review		50,000
Multi Purpose Centre Training	1,520	
Multi purpose	27,784	
MPC Kitchen Upgrading	17,929	
Asset Register Comm Engin Services	60,000	
Unobuntu MPC	550	
Dept Agriculture	26,585	
Human Resources Grant	7,500	
Hostel Upgrading	14,080	
Dept Transport Infrastructure	221,056	
INEP - Zwelethemba Project A	400,000	
Ring Fencing & Assets	50,000	
GOP Program	50,000	
PMS Program	42,235	
Supply of Electricity Rawsonville	24,000	
Sunny Side Orchard Housing	861,499	
Orchards Sunnyside 168 erven	250,000	
Electricity services Touwsriver	107,892	
	36,995,587	39,083,401

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
Other grants and donations:-		
Municipal sports day - Prima kilpbrekers		1,000
Boland rugby Union - Boland Park		50,000
Deveelopment Bank S A		206,000
Darwo Trading Donations aids orphans		5,000
Angus fire - DVD Fire Brigade		2,200
Fire Services - Donations - Drager safety	5,910	
CB CH Touwsriver	15,000	
Finance Donation	1,063	
Elec Attractive Items Donations	11,742	
Christmas Lights - 2005	20,000	
Municipal Policing	39,110	
Dam Deveelopment Mountain Mall	25,488,799	
Eskom Donations Electricity	3,423,995	
	<u>29,005,619</u>	<u>264,200</u>
Housing Projects:-		
550 IDT Erven	75,588	143,442
350 Houses Avian Park	1,110	3,564
Rholihlahla 308 Erven		3,790,143
Zweletemba Housing Project	1,267,918	3,463,102
708 Avianpark	5,646,869	
De Doorns Behuising Project Suid van N1	3,697,714	
	<u>10,689,199</u>	<u>7,400,251</u>
Total Government Grants and Subsidies	<u>76,690,405</u>	<u>46,747,852</u>

Certification:-

It is herewith certified that all allocations and subsidies received from National and Provincial Government as well the District Municipality, has been deposited into the Council's own main Bank account, and that all allocation received have been utilised in accordance with the conditions set. Where all the conditions have not yet been met, the total allocations have not been utilised. The outstanding conditions will be met prior to /or when the balance of the allocations is utilised. The percentage of the allocations utilised is an indication of the conditions met. Where the total of the allocations has been utilised, all the conditions have been met.

Equitable Share

In terms of the constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy based on their monthly income, which subsidy is funded from this grant

Balance unspent at beginning of year	0	0
Current Year receipts included in Revenue {see Appendix E(1)}	18,164,751	12,443,536
Conditions met - transferred to revenue	<u>18,164,751</u>	<u>12,443,536</u>
Conditions still to be met	<u>0</u>	<u>0</u>

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
Provincial Health Subsidies		
Balance unspent at beginning of year	0	0
Current Year receipts included in Health vote (see Appendix D)	3,746,551	2,530,040
Debtor created	0	328,634
Conditions met - transferred to revenue	3,746,551	2,858,674
Conditions still to be met	<u>0</u>	<u>0</u>
<p>The Municipality renders health services on behalf of the Provincial Government and is refunded approximately 100% of total expenditure incurred excluded provisions to leave payments and support services charges. This grant has been used exclusively to fund clinic services (included in the public health vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy.</p>		
Provincial Road Subsidy		
Balance unspent at beginning of year	0	0
Current Year receipts included in Road Transport Vote (see Appendix D)	36,884	0
Debtor created	0	136,200
Conditions met - transferred to revenue	36,884	136,200
Conditions still to be met	<u>0</u>	<u>0</u>
District Municipality (IDP Review)		
Balance unspent at beginning of year	0	
Current Year receipts included in Revenue (see Appendix E(1))	0	50,000
Conditions met - transferred to revenue	0	50,000
Conditions still to be met	<u>0</u>	<u>0</u>
LGWSETA -Staff Development		
Balance unspent at beginning of year	154,124	294,244
Current Year receipts Included in Note 8	283,998	338,598
Conditions met	438,122	478,718
Conditions still to be met	<u>0</u>	<u>154,124</u>

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
Provincial subsidy Cleaning Project		
Balance unspent at beginning of year	4,871	100,000
Current Year receipts included in Note 8	0	100,000
Conditions met	4,871	195,129
Conditions still to be met	<u>0</u>	<u>4,871</u>
PAWC Extension Library Rawsonville		
Balance unspent at beginning of year	0	386
Current Year receipts included in Note 8	0	70,000
Conditions met	0	70,386
Conditions still to be met	<u>0</u>	<u>0</u>
PAWC ISDN Line Firebrigade		
Balance unspent at beginning of year	5,210	10,422
Current Year receipts included in Note 8	0	0
Conditions met	4,042	5,212
Conditions still to be met	<u>1,168</u>	<u>5,210</u>
PAWC Poverty Aleviation		
Balance unspent at beginning of year	0	529,551
Current Year receipts included in Note 8	0	0
Conditions met	0	529,551
Conditions still to be met	<u>0</u>	<u>0</u>
Provincial Transport and Public Works (Transport Infrastructure)		
Balance unspent at beginning of year	0	2,005,000
Current Year receipts included in Note 8	0	0
Conditions met	0	2,005,000
Conditions still to be met	<u>0</u>	<u>0</u>
PAWC Spatial Planning		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	80,000	125,000
Conditions met	80,000	125,000
Conditions still to be met	<u>0</u>	<u>0</u>
PAWC Sport and Culture		
Balance unspent at beginning of year	0	8,573
Current Year receipts included in Note 8	0	0
Other receipts	0	0
Conditions met	0	8,573
Conditions still to be met	<u>0</u>	<u>0</u>
PAWC Sport and Culture (Zwelentemba)		
Balance unspent at beginning of year	0	78,789
Current Year receipts included in Note 8	0	0
Conditions met	0	78,789
Conditions still to be met	<u>0</u>	<u>0</u>
PAWC Multi purpose centre -Training		
Balance unspent at beginning of year	83,669	83,669
Current Year receipts included in Note 8	0	0
Conditions met	1,520	0
Conditions still to be met	<u>82,149</u>	<u>83,669</u>

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
PAWC Multi purpose centre - Capital		
Balance unspent at beginning of year	46,865	46,865
Current Year receipts included in Note 8	0	0
Conditions met	27,784	0
Conditions still to be met	<u>19,081</u>	<u>46,865</u>
Financial Management Grant		
Balance unspent at beginning of year	212,695	762,910
Current Year receipts included in Note 8	0	0
Conditions met	212,695	550,215
Conditions still to be met	<u>0</u>	<u>212,695</u>
PAWC IDP		
Balance unspent at beginning of year	0	24,101
Current Year receipts included in Note 8	0	0
Conditions met	0	24,101
Conditions still to be met	<u>0</u>	<u>0</u>
PAWC Upgrading Land Ownership		
Balance unspent at beginning of year	124,782	124,782
Current Year receipts included in Note 8	0	0
Conditions met	0	0
Conditions still to be met	<u>124,782</u>	<u>124,782</u>
PAWC Hostel Upgrading		
Balance unspent at beginning of year	417,186	417,186
Current Year receipts included in Note 8	0	0
Conditions met	14,080	0
Conditions still to be met	<u>403,106</u>	<u>417,186</u>
PAWC MPC Kitchen Upgrading		
Balance unspent at beginning of year	33,055	33,055
Current Year receipts included in Note 8	0	0
Conditions met	17,929	0
Conditions still to be met	<u>15,126</u>	<u>33,055</u>
PAWC Community Media		
Balance unspent at beginning of year	5,302	5,302
Current Year receipts included in Note 8	0	0
Conditions met	0	0
Conditions still to be met	<u>5,302</u>	<u>5,302</u>
PAWC M P C Projects		
Balance unspent at beginning of year	3,161	3,161
Current Year receipts included in Note 8	0	0
Conditions met	0	0
Conditions still to be met	<u>3,161</u>	<u>3,161</u>
District Municipality - Upgrade sewer works Touwsriver		
Balance unspent at beginning of year	111,621	111,621
Current Year receipts included in Note 8	0	0
Conditions met	0	0
Conditions still to be met	<u>111,621</u>	<u>111,621</u>

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
District Municipality - Upgrade sport facilities Touwsriver		
Balance unspent at beginning of year	0	5,322
Current Year receipts included in Note 8	0	0
Conditions met	0	5,322
Conditions still to be met	<u>0</u>	<u>0</u>
National - LED Fund Nature Reserve		
Balance unspent at beginning of year	232,302	232,302
Current Year receipts included in Note 8	0	0
Conditions met	0	0
Conditions still to be met	<u>232,302</u>	<u>232,302</u>
PAWC - Upgrade sport facilities Zweletemba		
Balance unspent at beginning of year	41,903	41,903
Current Year receipts included in Note 8	0	0
Conditions met	0	0
Conditions still to be met	<u>41,903</u>	<u>41,903</u>
PAWC - Aids Project		
Balance unspent at beginning of year	0	28,211
Current Year receipts included in Note 8	0	0
Conditions met	0	28,211
Conditions still to be met	<u>0</u>	<u>0</u>
PAWC - Social Services Vegetable Garden Worcester		
Balance unspent at beginning of year	299	259,196
Current Year receipts included in Note 8	0	0
Conditions met	299	258,897
Conditions still to be met	<u>0</u>	<u>299</u>
PAWC -Social Services Walala Wasala		
Balance unspent at beginning of year	28,356	28,356
Current Year receipts included in Note 8	0	0
Conditions met	0	0
Conditions still to be met	<u>28,356</u>	<u>28,356</u>
PAWC -Social Services Masizakhe		
Balance unspent at beginning of year	31,209	57,764
Current Year receipts included in Note 8	0	0
Conditions met	0	26,555
Conditions still to be met	<u>31,209</u>	<u>31,209</u>
D M E Electricity connections Zweletemba		
Balance unspent at beginning of year	151,329	583,484
Current Year receipts included in Note 8	0	0
Adjustment	0	0
Conditions met	151,329	432,155
Conditions still to be met	<u>0</u>	<u>151,329</u>
District Municipality - Purchase land Hasie square		
Balance unspent at beginning of year	111,000	111,000
Current Year receipts included in Note 8	0	0
Conditions met	0	0
Conditions still to be met	<u>111,000</u>	<u>111,000</u>
RDP Electricity Service Touwsriver		
Balance unspent at beginning of year	107,892	107,892
Current Year receipts included in Note 8	0	0
Conditions met	107,892	0
Conditions still to be met	<u>0</u>	<u>107,892</u>

BREDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
Social Plan Fund		
Balance unspent at beginning of year	5,323	5,323
Current Year receipts included in Note 8	0	0
Conditions met	0	0
Conditions still to be met	<u>5,323</u>	<u>5,323</u>
58 House for Staff (SAMWU)		
Balance unspent at beginning of year	44,824	44,824
Current Year receipts included in Note 8	0	0
Adjustment	0	0
Other receipts	0	0
Conditions met	0	0
Conditions still to be met	<u>44,824</u>	<u>44,824</u>
Orchards Sunnyside 168 erven		
Balance unspent at beginning of year	576,590	1,386,972
Current Year receipts included in Note 8	0	0
Refunded	0	810,382
Journal - Devided in two other Grants	576,590	0
Conditions met	0	0
Conditions still to be met	<u>0</u>	<u>576,590</u>
Rolihlahla 308 Erven		
Balance unspent at beginning of year	-0	218,772
From other debtors	-180,353	
Current Year receipts included in Note 8	180,353	3,391,018
Conditions met		3,790,143
Included in other debtors		180,353
Conditions still to be met	<u>-0</u>	<u>-0</u>
1800 Zweletemba Housing Project		
Balance unspent at beginning of year	750,744	144,818
Current Year receipts included in Note 8	1,780,444	4,069,028
Conditions met	1,267,918	3,463,102
Conditions still to be met	<u>1,263,270</u>	<u>750,744</u>
PAWC Municipal Support Program		
Balance unspent at beginning of year	0	101,251
Current Year receipts included in Note 8	0	0
Conditions met	0	101,251
Conditions still to be met	<u>0</u>	<u>0</u>
550 IDT Erven		
Balance unspent at beginning of year	77,992	0
From other debtors	0	-787,570
Other income	0	712
Current Year receipts included in Note 8	43,125	129,375
Written -of against operating account	0	878,917
Conditions met	75,588	143,442
Included in Other debtors	0	0
Conditions still to be met	<u>45,529</u>	<u>77,992</u>
350 Houses Avian Park		
Balance unspent at beginning of year	0	0
From other debtors	-420,115	-2,250,001
Current Year receipts included in Note 8		186,708
Written -of against operating account		1,646,742
Conditions met	1,110	3,564
Included in Other debtors	421,225	420,115
Conditions still to be met	<u>0</u>	<u>0</u>

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
339 Houses		
Balance unspent at beginning of year	0	0
From other debtors	-99,108	-98,486
Current Year receipts included in Note 8	24,464	0
Over-expenditure		622
Conditions met		0
Written -of against operating account	99,108	
Included in Other debtors		99,108
Conditions still to be met	<u>24,464</u>	<u>0</u>
Restoration Pre-paid electricity		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	320,820
Conditions met	0	320,820
Conditions still to be met	<u>0</u>	<u>0</u>
Learnership SETA		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	3,668	4,320
Debtor created	0	5,832
Conditions met	3,120	10,252
Conditions still to be met	<u>548</u>	<u>0</u>
Work for water		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	4,947,852	2,004,490
Conditions met	5,013,332	2,004,490
Included in Other debtors	65,480	
Conditions still to be met	<u>0</u>	<u>0</u>
Expanded Public Works program		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	41,783
Conditions met	0	41,783
Conditions still to be met	<u>0</u>	<u>0</u>
Pavement Management system		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	205,000
Conditions met	0	205,000
Conditions still to be met	<u>0</u>	<u>0</u>
Unobunt MPC: Computer and business training		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	50,000
Conditions met	0	50,000
Conditions still to be met	<u>0</u>	<u>0</u>
Electricity - Drivers training		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	18,480
Conditions met	0	18,480
Conditions still to be met	<u>0</u>	<u>0</u>
Electricity - Master Planning Funding		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	150,890
Conditions met	0	150,890
Conditions still to be met	<u>0</u>	<u>0</u>
Sewerage Master Plan		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	50,000
Conditions met	0	50,000
Conditions still to be met	<u>0</u>	<u>0</u>

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
Steenvliet access road		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	3,801,000
Conditions met	0	3,801,000
Conditions still to be met	<u>0</u>	<u>0</u>
Tourism (District Municipality)		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	190,617
Conditions met	0	190,617
Conditions still to be met	<u>0</u>	<u>0</u>
Housing Schemes maintenance		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	0
Debtor created	0	140,037
Conditions met	0	140,037
Conditions still to be met	<u>0</u>	<u>0</u>
Donation - Municipal sports day - Prima Klipbrekers		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	1,000
Conditions met	0	1,000
Conditions still to be met	<u>0</u>	<u>0</u>
Donation - DVD for Firebrigade - Angus fire		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	2,200
Conditions met	0	2,200
Conditions still to be met	<u>0</u>	<u>0</u>
Donation aids orphans		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	5,000
Conditions met	0	5,000
Conditions still to be met	<u>0</u>	<u>0</u>
Development Bank South Africa - LED		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	206,000
Conditions met	0	206,000
Conditions still to be met	<u>0</u>	<u>0</u>
Boland Rugby union - Boland Park Stadium		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	50,000
Conditions met	0	50,000
Conditions still to be met	<u>0</u>	<u>0</u>
Unicity Cape Town - Community kids		
Balance unspent at beginning of year	14,337	0
Current Year receipts included in Note 8	0	40,000
Conditions met	1,800	25,663
Conditions still to be met	<u>12,537</u>	<u>14,337</u>
National Department of Local Government - Drought relief		
Balance unspent at beginning of year	100,000	0
Current Year receipts included in Note 8	0	100,000
Conditions met	100,000	0
Conditions still to be met	<u>0</u>	<u>100,000</u>

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
Systems Improvement Grant		
Balance unspent at beginning of year	87,769	0
Current Year receipts included in Note 8	150,000	100,000
Conditions met	75,268	12,231
Conditions still to be met	<u>162,501</u>	<u>87,769</u>
Integrated National Electrification Programme		
Balance unspent at beginning of year	475,000	0
Current Year receipts included in Note 8	0	1,240,000
Conditions met	475,000	765,000
Conditions still to be met	<u>0</u>	<u>475,000</u>
Municipal Infrastructure Program - 2004/2005		
Balance unspent at beginning of year	23,685	0
Current Year receipts included in Note 8	0	5,411,304
Conditions met	0	5,387,619
Conditions still to be met	<u>23,685</u>	<u>23,685</u>
Municipal Infrastructure Program - 2005/2006		
Balance unspent at beginning of year	3,202,260	0
Current Year receipts included in Note 8	3,122,633	3,202,260
Conditions met	6,324,893	0
Conditions still to be met	<u>0</u>	<u>3,202,260</u>
This grant was used to construct water and sewerage infrastructure, new cemetery as part of upgrading of informal settlement areas (included in the water and sewerage votes in Appendix D). No funds been withheld.		
Zweletemba Poverty alleviation (CMIP)		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	2,193,599
Conditions met	0	2,193,599
Conditions still to be met	<u>0</u>	<u>0</u>
Stettynskloof dam - C02 Rehabilitation (CMIP)		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	669,873
Conditions met	0	669,873
Conditions still to be met	<u>0</u>	<u>0</u>
Upgrading Bokriver Pipeline (CMIP)		
Balance unspent at beginning of year	0	0
Current Year receipts included in Note 8	0	2,634,572
Conditions met	0	2,634,572
Conditions still to be met	<u>0</u>	<u>0</u>
Asset Register Comm Engin Services		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	60,000	0
Conditions met	60,000	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Dept Soc Serv & Prov Proj - Medicinal Plants De Doorns		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	950,000	0
Conditions met	0	0
Conditions sill to be met	<u>950,000</u>	<u>0</u>

Provincial LED Projects grants are used to promote Small, Medium and Micro Enterprises
The grant is spent in accordance with a business plan approved by the Provincial Government (included in Council General vote in Appendix D). No funds have been withheld.

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
Orchard Sunnyside 168 erven		
Balance unspent at beginning of year		0
Current year receipts included in Nota 8	0	0
Adjustments	250,000	
Conditions met	250,000	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Sunny Side Orchard Housing		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	2,247,382	0
Adjustment	326,590	
Conditions met	861,499	0
Conditions sill to be met	<u>1,712,473</u>	<u>0</u>
708 Avianpark		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	2,716,667	0
Conditions met	5,646,869	0
Included in Other Debtors	2,930,202	
Conditions sill to be met	<u>0</u>	<u>0</u>
De Doorns Behuising Suid van N1		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	3,746,916	0
Conditions met	3,697,714	0
Conditions sill to be met	<u>49,202</u>	<u>0</u>
INEP Zwelethemba Project A		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	400,000	0
Conditions met	400,000	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Unobunto MPC		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	550	0
Conditions met	550	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Dept Transport Infrastructure		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	625,000	0
Conditions met	221,056	0
Conditions sill to be met	<u>403,944</u>	<u>0</u>
Ring Fencing and Assets (District Municipality)		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	50,000	0
Conditions met	50,000	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Christmas Lights - 2005 - District Municipality		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	20,000	0
Conditions met	20,000	0
Conditions sill to be met	<u>0</u>	<u>0</u>
GOP Program - District Municipality		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	50,000	0
Conditions met	50,000	0
Conditions sill to be met	<u>0</u>	<u>0</u>
PMS Program - District Municipality		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	65,000	0
Conditions met	42,235	0
Conditions sill to be met	<u>22,765</u>	<u>0</u>

BREDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
Municipal Policing - District Municipality		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	50,000	0
Conditions met	39,110	0
Conditions sill to be met	<u>10,890</u>	<u>0</u>
Performance Management System		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	200,000	0
Conditions met	0	0
Conditions sill to be met	<u>200,000</u>	<u>0</u>
Supply Electricity Rawsonville		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	465,000	0
Refunded	441,000	
Conditions met	24,000	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Learning Cape Festival - African Equiations		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	7,500	0
Conditions met	7,500	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Dept Agriculture - Europese pig illness		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	26,585	0
Conditions met	26,585	0
Conditions sill to be met	<u>-0</u>	<u>0</u>
Donations - Fire Emergency Services - Equipment for training		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	5,910	0
Conditions met	5,910	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Donations - AllPay - Chairs for Touwsriver		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	15,000	0
Conditions met	15,000	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Donations - Refrigerator		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	1,063	0
Conditions met	1,063	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Donations - Incredible Connections - Elec items		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	11,742	0
Conditions met	11,742	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Dam Development		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	25,488,799	0
Conditions met	25,488,799	0
Conditions sill to be met	<u>0</u>	<u>0</u>

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
Eskom Donations Electricity		
Balance unspent at beginning of year	0	0
Current year receipts included in Nota 8	3,423,995	0
Conditions met	3,423,995	0
Conditions sill to be met	<u>0</u>	<u>0</u>
Total Grants Unutilised (refer to Note 8)	<u>6,142,220</u>	<u>7,265,355</u>

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
18. (continue)		
Reconciliation of grants and subsidies		
Balance unspent at beginning of the year	7,265,355	7,997,007
Total Government receipts	44,245,323	40,364,267
Capital assets donated by Governments		5,498,044
Other capital receipts	28,912,794	2,200
Other receipts	33,715	262,712
Conditions met - capital grants	-48,331,045	-25,671,614
Conditions met - operating account	-28,359,360	-21,076,238
Conditions met - Housing Projects	0	0
Conditions met - other capital jobs	0	0
Debtor created		610,803
From other debtors	-699,577	-3,136,057
Adjustments		0
Refunded	-441,000	-810,382
Written-off	99,108	2,525,659
Over-expenditure		-622
Included in Other Debtors	3,416,907	699,576
Balance at year end - Conditions still to be met - refer to Note 8	6,142,220	7,265,355
19. OTHER INCOME	R	R
Building plan fees	737,980	957,893
Burial fees	287,650	294,875
Connection fees	635,205	501,348
Fire fighting charges	484,328	283,739
Garden refuse special removals	589,541	372,682
Handling charges	501,861	567,073
Land sales	1,045,293	741,142
Reconnection fees	415,461	763,220
Royalties	358,468	569,773
Selling of Powder milk	14,555	1,093,250
Recovery of expenditure	85,179	78,636
Entrance fees	230,904	221,422
Interest car loans, housing loans, Sundry and township development	453,097	674,918
Sundry Income	3,237,310	2,430,962
Total Other Income	9,076,832	9,550,933
20. EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	71,332,609	67,414,904
Employee related costs - Social Contributions	16,227,832	14,749,454
Less:Employee costs capitalised to Property, Plant and Equipment	-96,116	-337,825
Less:Employee costs included in other expenses	-5,480,493	-4,314,240
Total Employee Related Costs	81,983,832	77,512,293

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

20. EMPLOYEE RELATED COSTS (continued)		2006	2005
		R	R
Remuneration of the Municipal Manager			
Annual Remuneration		554,913	525,946
Performance Bonus		75,030	70,000
Car Allowance		167,940	167,940
Total		797,883	763,886
Remuneration of the Chief Finance Officer			
Annual Remuneration		429,336	415,472
Performance Bonus		60,215	56,000
Car Allowance		96,377	90,508
Total		585,928	561,980
Remuneration of other Executive Directors (Technical Services, Corporate Services and Community Services)			
Annual Remuneration		1,244,747	1,257,988
Performance Bonus		153,433	168,000
Car Allowance		239,012	259,952
Total		1,637,192	1,685,940
21. REMUNERATION OF COUNCILLORS		2005	2004
		R	R
Executive Mayor		337,852	315,637
Deputy Executive Mayor		282,344	260,493
Speaker		277,204	260,493
Mayoral Committee Members		1,388,122	1,480,249
Councillors		2,743,439	1,915,660
Councillors Pension Contribution		666,986	405,410
Councillors Medical Aid Contribution		134,328	144,926
Total Councillor Remuneration		5,830,275	4,782,868

In-kind Benefits

The Executive Mayor , Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of Council.

The Executive Mayor has use of a Council owned vehicle for official duties.

BREED VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

	2006	2005
	R	R
22. BAD DEBTS		
Bad debts written off debited to Provision for doubtful debtors	15,804,863	27,896,443
Bad debts written off debited to Housing development fund	0	3,098,042
Total bad debts written off	15,804,863	30,994,485
23. INTEREST ON EXTERNAL BORROWINGS		
External loans	10,049,496	11,136,979
Bank overdrafts	0	0
Total Interest on External Borrowings	10,049,496	11,136,979
24. BULK PURCHASES		
Electricity	49,741,177	46,484,284
Water	365,851	641,389
Total Bulk Purchases	50,107,028	47,125,673
25. GRANTS AND SUBSIDIES PAID		
Grants paid to Worcester Bowling Club	13,000	11,000
Grants paid to South Africa Arts Association	21,600	21,600
Grants paid to Boland u/13 Rugby team		0
Grants paid in respect of Zweletemba Arts and Culture Festival		0
Grants paid to Worcester Association for the Physically Disabled		0
Grants paid to M A Opperman in respect of Exchange Program:Camp America		0
Grants paid to Riverside Golfclub	16,573	16,573
Grants paid to Western Province Schools Shooting association	-	5,000
Worcester Senior Secondary School	-	2,000
Funeral late Z Bantom	-	850
Siyadlala Mass Participation	-	2,000
Van Cutsem School	-	2,000
Breede Vallei Dichters	-	1,000
Rental Boland Park Worcester USSASA Primary schools	-	1,481
Cape Peninsula University of Technology	-	1,250
Goudini High school	-	15,000
Total Grants and Subsidies	51,173	79,754
26. CONTRIBUTIONS TO (FROM) PROVISIONS		
Bad debts	7,976,178	15,812,677
Other	2,834,997	3,956,633
Leave Payment	2,389,083	3,848,241
Alien Vegetation	0	0
Rehabilitation Landfill site	0	0
Slow moving Inventory	346,615	0
Obsolete Inventory	99,299	108,392
Total Contributions to (from) Provisions	10,811,175	19,769,310

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 R	2005 R
27. CASH GENERATED BY OPERATIONS		
Net Surplus for the year	64,204,827	16,613,353
Adjustment for:-		
Appropriations	99,108	2,525,659
Depreciation	14,890,252	12,622,656
Gain on disposal of property plant and equipment	0	-245,730
Contribution to bad debt provision	7,976,178	15,812,677
Contribution to Leave Payment Provision	2,389,083	3,848,241
Contribution Obsolete Inventory	99,299	108,392
Contribution to slow moving Inventory	346,615	0
Grants to operating account	-28,359,360	-21,076,237
Non - capital equipment donated	33,714	2,200
Investment Income	-6,107,641	-5,768,525
Interest paid	10,049,496	11,136,979
	65,621,571	35,579,665
Non-Operating Transactions		
Non-operating Income	33,482	7,842
Non-operating Expenditure	-48,331,045	-25,672,236
Operating Surplus before working capital changes:	17,324,008	9,915,271
Increase in inventories	-861,599	-155,144
Increase in consumer debtors	-7,639,061	-11,848,847
Decrease in other debtors	-504,446	1,108,985
Grants received	43,804,323	39,816,596
Increase in creditors	-2,077,681	-4,862,421
Cash generated by operations	50,045,544	33,974,440
28. CASH AND CASH EQUIVALENTS		
Balance at the end of the year	6,435,004	291,823
Balance at the beginning of the year	291,823	5,002,811
Net Increase(decrease) in cash and cash equivalents	6,143,181	-4,710,988
29. EXTERNAL LOANS RECONCILIATIONS		
Balance unspent loans beginning of the year	-1,780,653	1,283,546
External loans raised	18,179,600	16,977,847
Used to finance property, plant and equipment	-19,778,131	-20,042,046
Sub-total	-3,379,184	-1,780,653
Cash set aside for the repayment of loans	21,995,018	17,302,588
Cash invested for the repayment of external loans	18,615,834	15,521,935
External loans have been utilised in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that external loans can be paid on redemption date.		
30. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFULL EXPENDITURE DISALLOWED		
<u>Unauthorised expenditure</u>		
Reconciliation of unauthorised expenditure	0	0
Opening balance	0	0
Unauthorised expenditure current year	0	0
Approved by Council	0	0
Transferred to Statement of Financial Performance - authorised losses	0	0
Transfer to receivables for recovery	0	0
Closing balance	0	0
Incident	Disciplinary steps/criminal proceedings	
None	None	

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

(Note 30.continue)

	2,006 R	2005 R
<u>Irregular, fruitless and wasteful expenditure</u>		
Reconciliation of fruitless and wasteful expenditure	0	0
Opening balance	0	0
Fruitless and wasteful expenditure current year	0	0
Transfer to Statement of Financial Performance	0	0
Transfer to receivables for recovery	0	0
Closing balance	<u>0</u>	<u>0</u>

Incident	Disciplinary steps/criminal proceedings
None	None

Total unauthorised, fruitless and wasteful expenditure disallowed

<u>0</u>	<u>0</u>
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31. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Contributions to SALGA Western Cape

Opening balance	-	0
Council Subscriptions	210,289	193,241
Amount paid - current year	210,289	193,241
Amount paid - previous year	-	0
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>

Audit fees

Opening balance	-	0
Current year audit fees	424,067	346,085
Amount paid - current year	424,067	346,085
Amount paid - previous year	-	0
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>

No balance is unpaid and no interim audit has been conducted before year end

VAT

The net V.A.T outputs are reflected in the V.A.T returns. All V.A.T returns have been submitted by due dates throughout the year

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

(Note 31.continue)

	2006	2005
<u>PAYE and UIF</u>		
Opening balance	9,827	957,473
Current year roll deductions	10,662,700	11,133,316
Amount paid - current year	10,654,442	11,123,489
Amount paid - previous year	9,827	957,473
Balance unpaid (included in creditors)	8,258	9,827

Pension and Medical Aid Deductions

Opening balance	155,827	0
Current year roll deductions and Council Contributions	24,967,567	21,922,780
Amount paid - current year	24,967,567	21,766,953
Amount paid - previous year	0	0
Balance unpaid (included in creditors)	155,827	155,827

Councillor's arrear consumer accounts

The following Councillors had accounts outstanding for more than 90 days as at:-

<u>Total</u>	<u>Outstanding less than 90</u>	<u>Outstanding more than 90</u>
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The following Councillors had accounts outstanding for more than 90 days as at:-

<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
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30th June 2005

F Speelman	362	362	0
P Smith	157	157	0
MD/E Jordaan	10	10	0
CF & C Wiskut	61,816	3,003	58,813
S Goedeman	1,566	1,566	0
RY Cyster	5,724	0	5,724
WT Curran	10,090	2,488	7,602
L & FRL Richards	17,117	429	16,688

Total Councillor Arrear Consumer Accounts

96,843	8,016	88,827
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The following Councillors had accounts outstanding for more than 90 days as at:-

<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
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30th June 2006

C Africa	1 652	54	1 598
G Daames	104	74	30
S Geldenhuys	4 647	40	4 607
R George	374		374
C Wiskut	87 130	573	86 557
S Goedeman	1 531	761	770
A Gordon	90 606		90 606
SJF Marais	988	988	
TB Mbhele	5 338	850	4 488
M Nel	308	308	
C Ntsomi	7 837	884	6 953
L Richards	18 647	139	18 508
AS Titus	490		490

Total Councillor Arrear Consumer Accounts

219,653	0	4,671	214,981
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BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

(Note 31.continue)

During the year the following Councillors had accounts outstanding for more than 90 days

**Highest
Amount
Outstanding**

30th June 2005

CF & C Wilskut	58,813
RY Cyster	5,724
WT Curran	7,602
L & FRL Richards	16,688
	<u>88,827</u>

30th June 2006

C Africa	1 598
G Daames	30
R George	374
S Geldenhuys	4 607
C Wilskut	86 557
S Goedeman	770
A Gordon	90 606
TB Mbhele	4 488
C Ntsomi	6 953
L Richards	18 508
AS Titus	490
	<u>214 981</u>

BREEDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

32. CAPITAL COMMITMENTS

2006

2005

Commitments in respect of capital expenditure:

- Approved and contracted for	31,371,356	5,590,274
Infrastructure	23,030,101	4,640,643
Community	0	949,631
Heritage	0	0
Other	0	0
Housing Development Fund	8,341,255	0
Investment Properties	0	0
- Approved but not yet contracted for	0	0
Infrastructure	0	0
Community	0	0
Heritage	0	0
Other	0	0
Housing Development Fund	0	0
Investment Properties	0	0

Total

31,371,356 5,590,274

This Expenditure will be financed from:

- External loans	9,191,119	1,714,703
- Capital Replacement Reserve	1,258,260	0
- Government Grants	20,921,977	3,875,571
- Internal Cash	0	0
- District Council Grants	0	0
- Contributions by the Public	0	0
Total	31,371,356	5,590,274

33. RETIREMENT BENEFIT CONTRIBUTION

All employees are members of one of the following 5 Pension Funds:

Cape Joint Retirement Fund; Cape Joint Pension Fund; Provident Fund for Joint Local Government; SALA Pension Fund; SAMWU National Provident Fund; NFMW Retirement Fund.

An amount of R 8 685 431 was contributed by Council in respect of employees retirement funding.

This contributions have been expensed.

Councillors who elected so are members of the Municipal Councillors Pension Fund.

An amount of R 666 986 was contributed by Council in respect of Councillors retirement funding.

This contributions have been expensed.

The last actuarial valuation of the Cape Joint Pension Fund was performed on 30/06/2005.

The valuator was satisfied that the financial position of the Fund is sound.

The last actuarial valuation of the Cape Joint Retirement Fund was performed on 30/06/2005.

The valuator was satisfied that the financial position of the Fund is sound.

The last actuarial valuation of the NFMW was done on 30 June 2005.

The latest actuarial valuation of the SAMWU National Provident Fund was done on 30/06/2005.

The valuator was satisfied that the financial position of the Fund is sound.

The latest actuarial valuation of the Sala Pension Fund was done on 30/06/2005.

The valuator was satisfied that the financial position of the Fund is sound.

The actuarial valuations of the Provident fund for joint local government was not available.

BREDE VALLEY MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

34. CONTINGENT LIABILITY

	2006	2005
Guarenteens:	94,700	19,700
Guareantee Eskom (ABSA)	19,700	19,700
Guareantee South African Post Office (ABSA)	75,000	0
Legal Matters:	14,630,489	0
Mojovi Buildings & Civils cc instituted a claim against the municipality for cancelling a contract for the building of houses in Avian Park. The amount claimed is	3,321,438	0
Zader Municipal Services (Pty) Ltd instituted a legal claim for the termination of an apparent contract, which according to the municipality was never concluded. The claim amounts to	11,309,051	0
	<u>14,725,189</u>	<u>19,700</u>

35. CONTRACTUAL OBLIGATIONS

Guarantees by Council in respect of Housing Loans for Officials	1,303,483	1,646,477
The Security shortfall on Pension funds resignation benefits amounts to R 6 343.00 (Mainly as result of SAMWU Housing scheme)		

36. IN-KIND DONATIONS

No In-kind donations have been received by the Municipality during the 2003/2004 Financial year.

37. CHANGES IN ACCOUNTING POLICIES

Where necessary, comparative figures have been adjusted to conform with Generally Recognized Accounting Practice for Municipalities. In particular, the comparatives have been adjusted or extended to take into account the requirements of the new standards of Generally Accepted Municipal Accounting Practice.

During the year 2004/2005 the accounting policy with regard to capital from the Capital Replacement Reserve was changed with specific reference to the amounts utilised in the CRR to purchase PPE. Previously the CRR was reduced and the FDR(CRR) credited. Due to changes in the prescribed treatment from National Treasury in the specimen AFS dated 23 June 2005, an adjustment was also made in respect of the previous year in accordance with this directive.

The comparative amounts have been appropriately restated. The effect of this change in accounting policy is as follows:

	2006	2005
Property Plant and equipment purchased (funded from CRR)	0	0
	<u>0</u>	<u>0</u>

38. COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E(1) and E(2).

39. PRIOR PERIOD ERRORS

	2006	2005
The following prior period errors was discovered during the financial year and the comparative figures for the previous year have been adjusted to comply with GRAP 3.49		
- Water sales (Incorrect billings as result of water meters not registering correctly)		3,019,983
- Electricity sales (Incorrect billings as result of water meters not registering correctly)		-152,823
- Payment : Clinic services in respect of previous year - Cape Wine lands District Municipality		-65,429
Total previous year adjustments reflected in Statement of changes in net assets		<u>2,801,731</u>

40. FINANCIAL RISK MANAGEMENT

The municipality's activities expose it to a variety of financial risks: credit risk, liquidity risk, cashflow and fair value interest rate risk. Risk management is carried out by the finance department under policies approved by the council.

The **credit risks**, rates and consumer debtors, are managed in terms of the credit control and debt collection as well as the indigent relief policies.

Prudent **liquidity risk** management implies maintaining sufficient cash and investments, the availability of funding for service delivery through effective budgeting and availability of credit facilities. The municipality manages its risks through effective and efficient budgeting and credit control. The liquidity risk is thus limited.

The municipality's cashflow risk is minimised through cashflow budgeting and by applying the cash and investment management policy.

The municipality has no significant **cashflow interest rate risks** as investments and borrowings are at fixed interest rates. In order to hedge the **fair value interest rate risk**, borrowings are made at fixed rates only when interest rates are fairly low, and investments are not made for periods exceeding 12 months.

The municipality has no **foreign exchange risk** as the municipality does not operate internationally and is therefore not exposed to foreign exchange risks.

APPENDIX A

BREED VALLEY MUNICIPALITY SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2006

EXTERNAL LOANS	Loan Number	Redeemable	Balance as at 30 /06/2005	Received during period	Redeemed written off during period	Balance as at 30/06/2006	Carrying value of Property, Plant and Equipment
			R	R	R	R	
LOCAL REGISTERED STOCK							
Issued							
ABSA		30/06/2009	23 411 709			23 411 709	12,688,246.00
Total long-term loans			23 411 709	0	0	23 411 709	12,688,246
ANNUITY LOANS							
DBSA: @10.55%	556	31/03/2014	19,998,799	1 737 460	1,603,341	20 132 918	18,936,146.00
DBSA: @10.891%	557	31/03/2015	15,000,000	7 000 000		22 000 000	20,059,601.00
DBSA: @10.40%	558	31/03/2009	2,848,132		607,909	2 240 223	1,977,358.00
DBSA: @ 11.00%	559	31/03/2014	6,871,999		479,508	6 392 491	5,437,130.00
DBSA: @ 12.00%	560	31/03/2017	2,902,581		117,890	2 784 691	1,269,761.00
DBSA: @12.00%	561	31/03/2017	6,740,809		273,780	6 467 029	3,621,948.00
DBSA: @ 8.69%	2569	31/03/2016	0	9,442,140		9 442 140	13,968,654.00
Total Annuity loans			54 362 320	18 179 600	3 082 428	69 459 492	65,270,598
TOTAL EXTERNAL LOANS			77 774 029	18 179 600	3 082 428	92 871 201	77,958,844

APPENDIX B

BREED VALLEY MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2006

Classification of Assets	Cost/Revaluation					Accumulated Depreciation				Carrying Value 30/06/2006	Approved Amended Budget 2005/2006
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
INFRASTRUCTURE											
Access control	10,511				10,511	6	2,103		2,109	8,402	
Bus terminals	1,845,000	298,527			2,143,527	25,255	96,994		122,249	2,021,278	300,708
Car parks	660,000				660,000	660,000			660,000	0	
Fencing	490,162	334,960			825,122	155,852	174,068		329,920	495,202	360,340
Footways		104,729			104,729	0	14		14	104,715	104,730
Load control equipment	147,158	3,413,995			3,561,153	20	163,560		163,580	3,397,573	
Mains - electrical	11,615,443	15,545,674	49,096		27,210,213	3,086,302	582,902		3,669,204	23,541,009	15,631,431
Mains-water		2,859,948			2,859,948		392		392	2,859,556	3,270,677
Meters - electrical	569,136	94,512			663,648	4,124	28,470		32,594	631,054	144,500
Meters - water	933,160				933,160	19,735	62,211		81,946	851,214	
Motorways	62,269,229				62,269,229	36,834,379	2,226,734		39,061,113	23,208,116	
Outfall sewers	2,102,994				2,102,994	115,603	100,000		215,603	1,887,391	
Paving	3,526,560				3,526,560	1,494,265	210,539		1,704,804	1,821,756	
Power stations	550,829				550,829	50	18,361		18,411	532,418	
Pump stations	64,240				64,240	19,879	2,760		22,639	41,601	
Purification works	6,466,108	2,996,174	1,363,958		10,826,240	3,178,303	173,453		3,351,756	7,474,484	4,364,000
Other roads	10,445,663	5,911,211	0		16,356,874	74,377	1,041,724		1,116,101	15,240,773	6,172,455
Sewers	5,991,154	5,214,331	0		11,205,485	77,491	287,761		365,252	10,840,233	5,214,332
Sewerage pumps	33,064,684				33,064,684	23,812,245	653,902		24,466,147	8,598,537	
Street lighting	2,011,878	869,788			2,881,666	1,690,954	16,411		1,707,365	1,174,301	879,110
Supply/reticulation-electricity	38,376,046	9,186,165	131,319		47,693,530	14,972,901	2,029,957		17,002,858	30,690,672	9,469,896
Supply/reticulation-water	16,209,144	4,285,340	0		20,494,484	10,040,846	368,535		10,409,381	10,085,103	4,335,345
Stormwater drainage	3,710,841	497,564	0		4,208,405	138,035	174,731		312,766	3,895,639	500,000
Reservoirs & tanks	41,062,143	3,150,731			44,212,874	38,721,597	214,248		38,935,845	5,277,029	3,150,731
Traffic lights	402,853	953,908			1,356,761	20,143	24,063		44,206	1,312,555	1,000,000
	242,524,936	55,717,557	1,544,373	0	299,786,866	135,142,362	8,653,893		143,796,255	155,990,611	54,898,255
COMMUNITY											
Bowling greens	504,000				504,000	434,700	7,700		442,400	61,600	
Cemeteries	3,259,767	3,241,172	0		6,500,939	370,078	108,766		478,844	6,022,095	3,329,000
Community centres	6,356,187	127,306	0		6,483,493	4,308,147	120,832		4,428,979	2,054,514	127,307
Fire stations	3,739,681	181,725			3,921,406	2,020,242	113,614		2,133,856	1,787,550	181,725
Floodlighting	982,468				982,468	24,098	49,123		73,221	909,247	
Golf courses	1,548,000				1,548,000	1,370,250	19,750		1,390,000	158,000	
Clinics/hospitals	4,366,400				4,366,400	3,013,066	48,333		3,061,399	1,305,001	
Housing Schemes	1,935,542	14,080	10,612,501		12,562,123	10	3,829		3,839	12,558,284	13,676,080
Indoor sports	837,996				837,996	13,565	27,933		41,498	796,498	
Jukskei pitches	705,000				705,000	705,000			705,000	0	
Lakes and dams	1,689,369	1,775,023	0		3,464,392		29,920		29,920	3,434,472	1,836,922
Libraries	9,202,000				9,202,000	6,183,638	220,392		6,404,030	2,797,970	
Municipal buildings	26,275,830	847,073			27,122,903	23,591,451	285,296		23,876,747	3,246,156	870,811
Municipal houses	61,716,330				61,716,330	48,808,632	1,089,168		49,897,800	11,818,530	
Museum/art galleries	1,236,000	-390,000			846,000	846,000			846,000	0	
Office Buildings	27,287,069				27,287,069	15,854,272	537,224		16,391,496	10,895,573	100,000
Outdoor sports	5,366,255	728,275			6,094,530	3,724,462	143,562		3,868,024	2,226,506	733,500
Parks	1,570,623	184,702			1,755,325	60,557	72,546		133,103	1,622,222	200,000
Public conveniences	1,086,181				1,086,181	607,884	32,644		640,528	445,653	
Recreation centres	3,256,550				3,256,550	2,953,568	38,237		2,991,805	264,745	
Stadiums	2,494,940				2,494,940	868,864	83,165		952,029	1,542,911	41,903
Swimming pools	8,735,453	332,418			9,067,871	8,144,218	31,163		8,175,381	892,490	350,000
Tennis courts	254,000				254,000	223,999	10,000		233,999	20,001	
Civic theatres	360,000				360,000	360,000			360,000	0	
Workshop	1,489,750				1,489,750	1,443,563	5,773		1,449,336	40,414	
	176,255,391	7,041,774	10,612,501	0	193,909,666	125,930,264	3,078,970		129,009,234	64,900,432	21,447,248
HERITAGE											
Heritage art works	0	10,784,100	0	0	10,784,100				0	10,784,100	
Heritage buildings	0	390,000			390,000				0	390,000	
Total carried forward	0	11,174,100	0	0	11,174,100	0	0	0	0	11,174,100	

APPENDIX B (continued)

BREED VALLEY MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2006

Total brought forward	0	11,174,100	0	0	11,174,100	0	0	0	0	11,174,100	21,839,151	
OTHER												
Air conditioners	87,850	464,942			552,792	87,850	36,804		124,654	428,138	500,000	
Bulk containers	127,168				127,168	12,717	12,717		25,434	101,734		
Cabinets		10,000			10,000	0	1,307		1,307	8,693		
Computer hardware	1,631,309	281,306			1,912,615	1,272,925	96,873		1,369,798	542,817	453,000	
Compactor - landfill	359,000				359,000	96,434	65,641		162,075	196,925		
Radio equipment	22,140	65,256			87,396	16,554	2,829		19,383	68,013	70,657	
Fire equipment	177,192	202,066			379,258	4,191	18,014		22,205	357,053	202,160	
General plant	1,026,250	52,755			1,079,005	346,167	164,535		510,702	568,303	167,045	
Hostels - public	12,470,313				12,470,313	11,413,823	103,477		11,517,300	953,013		
Loader- front - end	803,598				803,598	618,812	20,532		639,344	164,254		
Miscellaneous furniture	215,873				215,873	34,848	35,615		70,463	145,410		
Office machines	3,724,972				3,724,972	1,337,310	723,640		2,060,950	1,664,022		
Other land	20,214,560				20,214,560	12,817,764	494,829		13,312,593	6,901,967		
Tippers	700,192				700,192	176,315	58,209		234,524	465,668		
Tip sites	3,468,299	317,082	0		3,785,381	160,000	53,537		213,537	3,571,844	320,000	
Town planning	500,519				500,519	500,519			500,519	0		
Trailers	343,178				343,178	254,445	15,627		270,072	73,106		
Vacant land	348,000				348,000	153,341	11,600		164,941	183,059		
Vehicles	2,186,121	805,392			2,991,513	881,949	407,362		1,289,311	1,702,202	805,458	
Busses	118,051				118,051	90,735	6,736		97,471	20,580		
Compressors	88,903				88,903	88,903			88,903	0		
Compactor truck	1,746,919	768,056			2,514,975	661,069	255,792		916,861	1,598,114	796,000	
Motor cycles	42,919				42,919	42,919	0		42,919	0		
Fire engines	475,760				475,760	309,909	23,788		333,697	142,063		
Graders	819,308				819,308	744,069	37,620		781,689	37,619		
Lawnmowers	132,468	13,441			145,909	58,257	42,846		101,103	44,806	25,000	
Roller-mechanic	19,757	75,447			95,204	19,756	41		19,797	75,407	85,000	
Street sweeper	13,317	0			13,317	7	2,664		2,671	10,646		
Trucks/bakkies	7,235,317	447,127			7,682,444	5,395,545	413,677		5,809,222	1,873,222	450,000	
Tractors	2,159,673				2,159,673	1,699,976	51,077		1,751,053	408,620		
	61,258,926	3,502,870	0	0	64,761,796	39,297,109	3,157,389	0	42,454,498	22,307,298	3,874,320	
TOTAL	480,039,253	77,436,301	12,156,874	0	569,632,428	0	300,369,735	14,890,252	0	315,259,987	254,372,441	80,219,823

*Note 2 *Note 1 *Note 3

*Note 1	COST/REVALUATION	
	Additions is made up as follows:	77,436,301
	Actual Capital Expenses	63,228,206
	Assets donated by Eskom	3,423,995
	Community Assets	-390,000
	Heritage Assets	390,000
	Revaluation of Heritage Art Works	10,784,100
	The Hugo Naudé Art Gallery was declared a National Heritage Asset	
	Capital Expenditure 2005/2006	75,385,080
	Actual Capital Expenses	63,228,206
	Works in Progress 2005/2006	12,156,874
*Note 2	Included in Opening Balance	480,039,253
	Closing Balance: 30/06/2005	478,215,056
	Works in Progress 2004/2005	1,824,197
*Note 3	Under Construction 30/06/2006	13,981,071
	Works in Progress 2004/2005	1,824,197
	Works in Progress 2005/2006	12,156,874
	Under Construction 30/06/2005	1,824,197
	Works in Progress 2004/2005	13,486,691
	Asset completed 2005/2006	-11,662,494

Infrastructure	Community	Other
242,524,936	176,255,391	61,258,926
236,878,413	170,495,223	59,178,926
5,646,523	5,760,168	2,080,000

APPENDIX C

BREED VALLEY MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2006

	Cost					Accumulated Depreciation				Carrying Value 30.6.2006
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Executive & Council	1,391,503	114,593			1,506,096	1,245,580	35,359		1,280,939	225,157
Finance & Administration	50,970,740	13,193,077			64,163,817	31,127,349	2,116,770		33,244,119	30,919,698
Planning and Development					-	-			-	-
Health	4,366,400				4,366,400	3,013,066	48,333		3,061,399	1,305,001
Community & Social Services	40,929,243	3,966,884	-		44,896,127	30,816,993	691,164		31,508,157	13,387,970
Housing	73,008,547	14,080	10,612,501		83,635,128	57,960,627	1,092,686		59,053,313	24,581,815
Public Safety	5,838,530	449,047			6,287,577	3,077,085	234,880		3,311,965	2,975,612
Sport & Recreation	48,526,764	1,566,561			50,093,325	34,135,477	1,157,112		35,292,589	14,800,736
Environmental Protection	100,125				100,125	12,017	41,961		53,978	46,147
Waste Management	3,621,695	317,082			3,938,777	38,945	66,254		105,199	3,833,578
Waste Water Management	54,853,313	8,708,069	1,363,958		64,925,340	29,872,313	1,527,735		31,400,048	33,525,292
Road Transport	77,327,245	7,268,375			84,595,620	38,839,396	3,500,310		42,339,706	42,255,914
Water	63,986,259	12,071,043			76,057,302	49,046,913	875,327		49,922,240	26,135,062
Electricity	55,118,889	29,767,490	180,415		85,066,794	21,183,974	3,502,361		24,686,335	60,380,459
	480,039,253	77,436,301	12,156,874	-	569,632,428	300,369,735	#####	-	315,259,987	254,372,441

APPENDIX D

BREEDE VALLEY MUNICIPALITY : SEGMENTAL INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

2005 Actual Income R	2005 Actual Expenditure R	2005 Surplus / Deficit R		2006 Actual Income R	2006 Actual Expenditure R	2006 Surplus / Deficit R
(14 754 279)	28 562 182	(43 316 461)	Executive & Council	323 759	17 671 479	(17 347 720)
74 933 299	52 746 484	22 186 815	Finance & Administration	62 937 901	49 434 877	13 503 024
1 738 026	3 508 726	(1 770 700)	Planning and Development	1 063 692	3 460 069	(2 396 377)
3 084 006	5 147 052	(2 063 046)	Health	3 748 173	4 090 187	(342 014)
2 137 067	9 077 386	(6 940 319)	Community & Social Services	2 136 472	9 566 050	(7 429 578)
7 266 902	7 973 890	(706 988)	Housing	17 222 487	8 887 271	8 335 216
10 367 707	20 419 350	(10 051 643)	Public Safety	10 087 345	20 522 258	(10 434 913)
1 705 682	9 723 345	(8 017 663)	Sport & Recreation	2 193 791	9 949 729	(7 755 938)
2 004 490	4 511 870	(2 507 380)	Environmental Protection	5 013 331	7 312 165	(2 298 834)
14 477 825	12 222 670	2 255 155	Waste Management	15 934 041	13 860 085	2 073 956
20 873 872	16 774 558	4 099 314	Waste Water Management	21 293 618	16 686 254	4 607 364
15 570 061	12 277 438	3 292 623	Road Transport	5 744 732	12 200 632	(6 455 900)
29 796 952	25 026 787	4 770 165	Water	35 243 698	20 364 729	14 878 969
89 778 441	85 666 606	4 111 835	Electricity	126 685 721	85 220 284	41 465 437
530 850	10 563 235	(10 032 385)	Other	0	696 637	(696 637)
<u>259 510 901</u>	<u>304 201 579</u>	<u>(44 690 678)</u>	Sub Total	<u>309 628 761</u>	<u>279 922 706</u>	<u>29 706 055</u>
	(61 304 031)	61 304 031	Less Inter-Dep Charges		(34 498 772)	34 498 772
<u>259 510 901</u>	<u>242 897 548</u>	<u>16 613 353</u>	Total	<u>309 628 761</u>	<u>245 423 934</u>	<u>64 204 827</u>

APPENDIX E (1)

BREEDE VALLEY MUNICIPALITY:ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2006

REVENUE	2005/2006 Actual@	2005/2006 Budget @	2005/2006 Variance @	2005/2006 Variance (%)	Explanation of Significant Variances <u>Variances greater than 10% versus Budget</u>
Property Rates	54,794,072	53,500,000	1,294,072	2	
Property Rates - Penalties imposed	1,230,451	1,240,000	-9,549	-1	
Service Charges	161,404,825	156,476,262	4,928,563	3	
Electricity Sales	97,719,844	94,924,640	2,795,204	3	
Refuse removal	15,600,964	15,584,322	16,642	0	
Sewerage fees	18,034,457	17,391,000	643,457	4	
Water sales	30,049,560	28,576,300	1,473,260	5	
Infrastructure / Site Rental	5,586,561	5,588,155	-1,594	-0	
Rental of facilities and Equipment	1,919,880	1,417,340	502,540	35	Rental chalets at Nekkies more than budgeted for duration of dam project
Interest Earned - External Investments	6,107,641	5,600,000	507,641	9	
Interest Earned - Outstanding Debtors	4,685,863	4,641,150	44,713	1	
Fines	9,579,325	9,427,820	151,505	2	
Income for agency services	3,109,372	3,300,000	-190,628	-6	
Licences and Permits	2,557,417	2,617,480	-60,063	-2	
Operating grants and subsidies	28,359,360	29,029,906	-670,546	-2	
Other Income	9,076,832	6,365,341	2,711,491	43	More income realised than budgeted
Gain on disposal of PPE	0	0	0	0	
Sub-total	288,411,599	279,203,454	9,208,145	3	
Grants and subsidies capital	48,331,045	46,963,258	1,367,787	3	
Operating revenue generated	336,742,644	326,166,712	10,575,932	3	
Less: Income forgone - Rebates	27,113,883	26,947,232	166,651	1	
Total direct operating revenue	309,628,761	299,219,480	10,409,281	3	
Internal Transfers	0	0	0	0	
Internal Transfers	0	0	0	0	
Total Operating Income	309,628,761	299,219,480	10,409,281	3	
EXPENDITURE					
Executive & Council	17 671 479	18,315,280	-643,801	-4	
Finance & Administration	49 434 877	54,212,459	-4,777,582	-9	
Planning and Development	3 460 069	3,758,079	-298,010	-8	
Health	4 090 187	4,651,497	-561,310	-12	Savings on Salaries as 7 staff members resigned/Provincialisalation of Health Section
Community & Social Services	9 566 050	10,915,659	-1,349,609	-12	Amout spend less than budgeted.
Housing	8 887 271	10,418,613	-1,531,342	-15	Included is an amount of R1 241 284 budgeted for General Expenses not spend.
Public Safety	20 522 258	22,615,572	-2,093,314	-9	
Sport & Recreation	9 949 729	10,226,668	-276,939	-3	
Environmental Protection	7 312 165	7,436,477	-124,312	-2	
Waste Management	13 860 085	13,535,462	324,623	2	
Waste Water Management	16 686 254	17,025,523	-339,269	-2	
Road Transport	12 200 632	13,449,651	-1,249,019	-9	
Water	20 364 729	21,185,372	-820,643	-4	
Electricity	85 220 284	83,270,277	1,950,007	2	
Other	696 637	0	696,637	0	
Total Direct Operating expenditure	279,922,706	291,016,589	-11,093,883	-4	
Inter departmental charges / Transfers	-34,498,772	-34,502,809	4,037	-0	
Total Operating expenditure	245,423,934	256,513,780	-11,089,846	-4	
Operating Surplus	64,204,827	42,705,700	21,499,127	50	
Fundamental adjustments	0	0			
Transfers from other reserves (FDR)	3,950,608	3,793,097			
Transfers from other reserves (trustfunds)	0	0			
CRR	1,496,209	10,426,337			
Housing Development Fund		3,013,952			
Transfers from accumulated Surplus	0	0			
Transfers to reserves	0	-159,750			
Adjustments stores	0				
Overspending Housing projects	0				
Transfer from Ins.reserve	-159,750				
Movement Unidentified deposits	0				
Interst investment To Ins.reserve	-2,394,690	-1,600,000			
Capital Grants used to purchase PPE	-44,046,648	-42,463,324			
Operating Surplus to Acc. Surplus	23,050,556	15,716,012			

APPENDIX E (1)

BREEDE VALLEY MUNICIPALITY:ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2006

REVENUE	2005/2006 Actual@	2005/2006 Budget @	2005/2006 Variance @	2005/2006 Variance (%)	Explanation of Significant Variances Variances greater than 10% versus Budget
Property Rates	54,794,072	53,500,000	1,294,072	2	
Property Rates - Penalties imposed	1,230,451	1,240,000	-9,549	-1	
Service Charges	161,404,825	156,476,262	4,928,563	3	
Electricity Sales	97,719,844	94,924,640	2,795,204	3	
Refuse removal	15,600,964	15,584,322	16,642	0	
Sewerage fees	18,034,457	17,391,000	643,457	4	
Water sales	30,049,560	28,576,300	1,473,260	5	
Infrastructure / Site Rental	5,586,561	5,588,155	-1,594	-0	
Rental of facilities and Equipment	1,919,880	1,417,340	502,540	35	Rental chalets at Nekkies more than budgeted for duration of dam project
Interest Earned - External Investments	6,107,641	5,600,000	507,641	9	
Interest Earned - Outstanding Debtors	4,685,863	4,641,150	44,713	1	
Fines	9,579,325	9,427,820	151,505	2	
Income for agency services	3,109,372	3,300,000	-190,628	-6	
Licences and Permits	2,557,417	2,617,480	-60,063	-2	
Operating grants and subsidies	28,359,360	29,029,906	-670,546	-2	
Other Income	9,076,832	6,365,341	2,711,491	43	More income realised than budgeted
Gain on disposal of PPE	0	0	0	#DIV/0!	
Sub-total	288,411,599	279,203,454	9,208,145	3	
Grants and subsidies capital	48,331,045	46,963,258	1,367,787	3	
Operating revenue generated	336,742,644	326,166,712	10,575,932	3	
Less:Income forgone - Rebates	27,113,883	26,947,232	166,651	1	
Total direct operating revenue	309,628,761	299,219,480	10,409,281	3	
Total Operating Income	309,628,761	299,219,480	10,409,281	3	
EXPENDITURE					
Employee related costs	81,983,832	85,323,751	-3,339,919	-4	
Employee related costs	87,560,441	93,149,909	-5,589,468	-6	
Less:Employee cost capitalised	-96,116	-250,500	154,384	-62	
Less:Employee costs allocated to other items	-5,480,493	-7,575,658	2,095,165	-28	
Remuneration of councillors	5,830,275	5,733,234	97,041	2	
Provision for bad debt	7,976,178	10,000,000	-2,023,822	-20	Provision for bad debt less than budgeted
Debt collection costs	846,170	900,000	-53,830	-6	
Depreciation	14,890,252	14,843,100	47,152	0	
Repairs and Maintenance	28,338,521	30,187,490	-1,848,969	-6	
Interest on External Borrowings	10,049,496	10,259,932	-210,436	-2	
Bulk Purchases	50,107,028	51,110,440	-1,003,412	-2	
Contracted Services	2,037,369	2,375,130	-337,761	-14	Amount spend for private security contractors R264 774 less than budgeted
General Expenses - Other	40,529,816	44,842,683	-4,312,867	-10	
Contributions to (from) Provisions	2,834,997	938,020	1,896,977	202	Additional contribution to leave payment provision to comply with accumulated leave value
Total Direct Operating expenditure	245,423,934	256,513,780	-11,089,846	-4	
Total Operating expenditure	245,423,934	256,513,780	-11,089,846	-4	
Operating Surplus	64,204,827	42,705,700	21,499,127	50	
Fundamental adjustments	0	0			
Transfers from other reserves (FDR)	3,950,608	3,793,097			
Transfers from other reserves (trustfunds)	0	0			
CRR	1,496,209	10,426,337			
Housing Development Fund		3,013,952			
Transfers from accumulated Surplus	0	0			
Transfers to reserves	0	-159,750			
Adjustments stores	0				
Overspending Housing projects	0				
Transfer from Ins.reserve	-159,750				
Movement Unidentified deposits	0				
Interst investment To Ins reserve	-2,394,690	-1,600,000			
Capital Grants used to purchase PPE	-44,046,648	-42,463,324			
Operating Surplus to Acc. Surplus	23,050,556	15,716,012			

APPENDIX E (2)

BREED VALLEY MUNICIPALITY:ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2006

	2005/2006 Actual	2005/2006 Under Construction	2005/2006 Total Additions	2005/2006 Budget	2005/2006 Variance	2005/2006 Variance (%)	Explanation of Significant Variances <u>Variances greater than 5% versus Budget</u>
Executive & Council	114,593		114,593 0	214,806	-100,213 0	-47	Savings on purchases of computer Equipment/Software
Finance & Administration	2,408,977		2,408,977 0	2,575,607	-166,630 0	-6	Savings on purchases
Planning and Development			0 0		0 0		
Health			0 0		0 0		
Community & Social Services	3,966,884	-	3,966,884 0	4,073,307	-106,423 0	-3	
Housing	14,080	10,612,501	10,626,581 0	13,676,080	-3,049,499 0	-22	Illegal occupation of houses
Public Safety	449,047		449,047 0	554,542	-105,495 0	-19	Offices Traffic centre not built
Sport & Recreation	1,566,561		1,566,561 0	1,671,948	-105,387 0	-6	Savings on projects
Environmental Protection			0 0		0 0		
Waste Management	317,082		317,082 0	320,000	-2,918 0	-1	
Waste Water Management	8,708,069	1,363,958	10,072,027 0	10,078,332	-6,305 0	-0	
Road Transport	7,268,375		7,268,375 0	7,577,893	-309,518 0	-4	
Water	12,071,043		12,071,043	12,693,675	-622,632	-5	
Electricity	29,767,490	180,415	29,947,905	26,783,633	3,164,272	12	Donation Load Management System by ESCOM
Total	66,652,201	12,156,874	78,809,075	80,219,823	-1,410,748	-2	

BREEDE VALLEY MUNICIPALITY

APPENDIX F

STATISTICAL INFORMATION

			2006	2005	2004	2003	2002
(1)	General Statistics						
(a)	Population.	±	170000	161000	150 000	150 000	92 000
(b)	Valuation		R '000	R '000	R '000	R '000	R '000
	(i) Taxable						
	Land		1,328,808	1,284,062,135	408 676 435	398 970 000	361 561 730
	Improvements		2,899,480	2,779,661,000	1 782 879 093	1 689 110 000	1 535 857 286
	(ii) Non Taxable		0	0	0	0	0
	Land		0	0	0	0	28 565 093
	Improvements		0	0	0	0	39 637 340
	(iii) Date of Last General Valuation		2004/07/01	2004/07/01	1996/07/01	1996/07/01	1996/07/01
(c)	Number of properties						
	Residential		16,787	16,594	16 228	16 118	15 655
	Commercial		1,004	1,288	1 388	1 348	1 348
	Other		1,082	967	1 243	1 225	1 225
	Landelik		1,791	1,791			
(d)	Assesment Rate: Cent in the Rand		1.38911	1.2363	1.6707	1.6707	1.3694
(e)	Number of Employees						
	Employed		803	772	761	780	692
	Vacancies		576	559	75	60	148
(2)	Electrical Statistics						
(a)	Number of users	±	22,204	21,770	21 338	18 000	17 900
(b)	Units bought	kwH	270,813,659	259,554,187	265 247 422	233 513 602	228 914 991
(c)	Units sold	kwH	264,105,717	245,836,662	232 114 447	215 228 214	201 499 626
(d)	Units lost in distribution	kwH	6,707,942	13,717,525	33 132 975	18 285 388	27 415 365
(e)	Percentage of units lost in distribution		2.477%	5.285%	12.491%	7.831%	11.976%
(f)	Cost per unit bought	R	0.314682	0.330245	0.258922	0.258637	0.236405
(g)	Loss in distribution	R	2,110,869	4,530,144	8 578 856	4 729 278	6 481 129
(h)	Cost per unit sold	R	0.322675	0.348673	0.295882	0.280610	0.268569
(i)	Income per unit sold	R	0.362126	0.356979	0.360594	0.330674	0.323073
(3)	Water Statistics						
(a)	Number of users	±	19,272	18,985	20,049	17,000	16,000
(b)	Units supplied	Kl	11,788,000	12,771,000	12,662,000	14,513,000	12,412,666
(c)	Units sold	Kl	10,275,849	9,780,529	11,029,648	10,462,130	10,404,774
(d)	Units lost in distribution	Kl	1,512,151	2,990,471	1 632 352	4 050 870	2 007 892
(e)	Percentage of units lost in distribution		12.8279%	23.4161%	12.8917%	27.9120%	16.1762%
(f)	Cost per unit supplied	R	1.727581	1.963572	1.908042	1.599595	1.511029
(g)	Loss in distribution	R	2,612,363	5,872,005	3,114,596	6,479,751	3,033,982
(h)	Cost per unit sold	R	1.981805	2.563949	2.190426	2.218948	1.802624
(i)	Income per unit sold	R	2.886242	2.441204	2.675051	2.357057	1.821234
(4)	Sundry Statistics						
(a)	Area in km²		3,015	3,015	2295	2295	2295
(b)	Previous election						
	Number of registered voters		60,625	60,625	60 625	60 625	60 625
	% poll						
(c)	Building survey:						
	(i) Building plans						
	Number passed		1032	917	715	563	610
	Value passed		234,928	260,882	97,194	135,752	55,730
	(ii) Inspections performed		3,000	3,668	2,860	2,252	1,440
(d)	Housing						
	(i) Number of dwelling units		2,794	2,743	2,741	2,739	2,770
	(ii) Number of people acc	±	30,735	24,687	30,151	30,540	30,500
	(iii) Number of people on waiting list		7,524	7,451	7,291	5,834	6,133
(e)	Fire service stations		2	2	2	2	2